



American Gilsonite Company

A Chevron Company
Bonanza, UT 84008 • Phone (801) 789-1921

Bonanza Mining Operations

M/047/010

January 8, 1987

RECEIVED
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DIVISION OF
OIL, GAS & MINING

Mr. Frank Filas
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Annual Operations and
Progress Report

Dear Mr. Filas:

Chevron Resources Company's American Gilsonite Operation respectfully submits this letter in place of the annual operations report per our telephone conversation of January 8, 1987. Due to a depressed economic market, American Gilsonite struggled with lower sales revenue and cut backs in production throughout 1986. As a result, the mining was limited to existing mines, while new site developments, exploration and reclamation prospects were deferred. Some minor disturbance is proceeding in the form of road work to re-route an existing county road around our office and milling facility. Production for 1986 was as follows:

Mining	35,823 tons of Gilsnoite®
Milling	31,261 tons of Gilsonite

In summary, no new disturbances (with the exception of the county road project) nor reclamation projects were initiated during the year by the American Gilsonite mining operation.

If you need further information or clarification on anything, you may reach me at 789-7795.

Sincerely,

Bruce Gilbert
Environmental Coordinator

BEG:vjw